

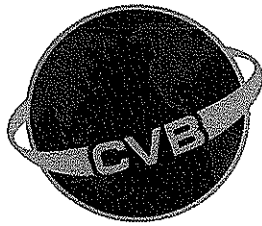


**Child,
Van Wagoner &
Bradshaw, PLLC**

**Uintah Basin Assistance Council, Inc.
Roosevelt, Utah
Financial Statements
Year Ended March 31, 2009**

Table of Contents

	Page
Independent Auditors' Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5-11
Schedule of Expenditures of Federal Awards	12
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	13-14
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	15-16
Schedule of Findings and Questioned Costs	17-18
Schedule of Findings and Questioned Costs-Prior Year	19
Auditee Response	20



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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

To the Board of Directors
Uintah Basin Assistance Council, Inc.
Roosevelt, Utah

We have audited the accompanying statement of financial position of Uintah Basin Assistance Council, Inc. (the Organization) as of March 31, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of March 31, 2009 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2009, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the

basic financial statements taken as a whole.
Child, Van Wagoner & Bradshaw
Child, Van Wagoner & Bradshaw, PLLC

Kaysville, Utah
March 16, 2009

Uintah Basin Assistance Council
Statement of Financial Position
March 31, 2009

ASSETS

Current Assets:

Cash-unrestricted	\$ 3,283
Cash equivalents-PTIF unrestricted (Note 2)	6,666
Accounts receivable	924
Total current assets	<u>10,873</u>

Restricted deposits:

Tenant deposits held in trust	7,123
Reserve account	14,363
Total restricted deposits	<u>21,486</u>

Property and equipment:

Land	126,993
Buildings	1,275,014
Furniture and equipment	13,238
Total capital assets	<u>1,415,245</u>
Less: Accumulated depreciation	(205,243)
Net capital assets	<u>1,210,002</u>

Total assets	<u><u>\$ 1,242,361</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accrued taxes payable	\$ 3,435
Accounts payable - other	1,805
Notes payable-current portion (Note 3)	27,549
Total current liabilities	<u>32,789</u>

Deposits and prepaid liabilities:

Tenants' security deposits	7,353
----------------------------	-------

Long-term liabilities:

Notes payable-less current portion (Note 3)	1,047,117
Total long-term liabilities	<u>1,047,117</u>

Net Assets:

Unrestricted net assets	155,102
Total net assets	<u>155,102</u>

Total liabilities and net assets	<u><u>\$ 1,242,361</u></u>
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See accompanying notes to financial statements.

Uintah Basin Assistance Council
Statement of Activities
Year Ended March 31, 2009

Support and Revenue:

Management fees	\$ 139,600
Rental income	89,551
Total support and revenue	<u>229,151</u>

Operating Expenses:

Administrative expenses	172,400
Utilities	8,701
Ordinary maintenace and operations	33,708
Insurance	17,911
Depreciation	19,578
Total operating expenses	<u>252,298</u>

Change in operating net assets	(23,147)
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Non-operating income (expenses)

Interest income	256
Interest expense	(6,899)
Total non-operating income (expenses)	<u>(6,643)</u>

Change in net assets	(29,790)
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Net assets at beginning of year	184,892
Net assets at end of year	<u><u>\$ 155,102</u></u>

See accompanying notes to financial statements

Uintah Basin Assistance Council
Statement of Cash Flows
Year Ended March 31, 2009

Cash flows from operating activities:

Change in operating net assets	\$ (23,147)
Adjustments to reconcile change in operating net assets to net cash used in operating activities:	
Depreciation	19,578
(Increase) decrease:	
Deposits held in trust	3,203
Increase (decrease):	
Accounts payable	2,279
Tenants' security deposits	(2,945)
Net cash used in operating activities	<u>(1,032)</u>

Cash flows from investing activities:

Decrease in reserve account	8,081
Interest income	256
Net cash provided by investing activities	<u>8,337</u>

Cash flows from financing activities:

Proceeds from long-term debt	23,535
Principal payments on long-term liabilities	(25,100)
Interest expense	(6,899)
Net cash used in financing activities	<u>(8,464)</u>

Net decrease in cash and cash equivalents	(1,159)
Cash and cash equivalents at beginning of year	11,108
Cash and cash equivalents at end of year	<u>\$ 9,949</u>

Supplemental disclosure of cash flow information:

Cash paid during the year for interest	\$ 6,899
Cash received during the year for interest	\$ 256

Non-cash investing and financing activities:

Purchase of property financed with debt	\$ 420,937
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See accompanying notes to financial statements.

Uintah Basin Assistance Council, Inc.
Notes to Financial Statements
Year Ended March 31, 2009

1. Organization and summary of significant accounting policies

Organization

Uintah Basin Assistance Council, Inc. (Organization) was organized to provide housing assistance to the low-income population of the Uintah Basin (Duchesne, Daggett and Uintah Counties of Utah) and to acquire, lease, rent or maintain low-income rental properties, to provide rehabilitation funds to eligible low-income families, and to provide other assistance to the same segments of the population.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. In addition, the financial statement presentation follows the recommendations of the Financial Accounting Standards Board in Statement of Financial Accounting Standards (SFAS) No. 117, "*Financial Statements of Not-for-Profit Organizations*". None of the Organization's assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets according to SFAS No. 117. The accrual basis of accounting recognizes revenues at the time they are earned. Expenditures are recorded when incurred.

Revenue Recognition

Management fee income is compensation paid to the Organization for managing certain projects. Management fee income is posted on a monthly basis as services are rendered. Rental income is recognized when pervasive evidence of the tenant's compliance with the rental agreement exists and collectability is reasonably assured.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Non-Profit Status

The Organization was organized as a non-profit organization in accordance with the laws of the State of Utah. The Organization has received general exemption from income taxation under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Property and Equipment

Property and equipment is recorded at cost and depreciated using the straight-line method of depreciation over the estimated useful lives of the assets ranging from (5) five to (40) forty years. There have been no impairments to property below carrying value as a result of adopting SFAS No. 144 "*Accounting for the Impairment or Disposal of Long-lived Assets*".

Uintah Basin Assistance Council, Inc.
Notes to Financial Statements (Continued)
Year Ended March 31, 2009

1. Organization and summary of significant accounting policies (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers unrestricted investment instruments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents at March 31, 2009 consists of cash and cash-PTIF-unrestricted. Restricted cash held as tenant deposits held in trust is not considered a cash equivalent.

Accounts Receivable and Bad Debts

Accounts receivable consist of tenant rents and management fees receivable. The Organization's customers are primarily low-income rental tenants and management fees from other low income projects in the Duchesne, Daggett and Uintah County areas of Utah that may be affected by changing economic conditions. Management believes that its credit review procedures and tenant deposits have adequately provided for usual and customary credit-related losses. The Organization's policy for charging off tenant receivables is to consider write-down of receivables extending beyond 120 days after significant collection efforts have been made or when the financial condition of tenants warrants charge-off. Tenant receivables are determined to be past due after 30 days regardless of whether partial payments have been received.

Recently Issued Accounting Pronouncements

The Organization has reviewed all recently issued accounting pronouncements for the year ended March 31, 2009, and has determined that none of the recently issued accounting pronouncements will have a material effect on the fair presentation of these financial statements.

2. Deposits and Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the Organization of the State of Utah Money Management Act (the Act) that relate to the deposit and investment of public funds.

The Organization follows the requirements of the Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of Organization funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Uintah Basin Assistance Council, Inc.
Notes to Financial Statements (Continued)
Year Ended March 31, 2009

2. Deposits and Investments (continued)

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Organization's deposits may not be returned. The Organization does not have a formal deposit policy for managing custodial credit risk. As of March 31, 2009, all of the Organization's bank balances of \$30,588 were insured and collateralized.

Investments and Cash Equivalents-PTIF

The Act defines the types of securities authorized as appropriate investments for the Organization and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with the issuers of the investment securities.

Statutes authorize the Organization to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Service or Standard & Poor's; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer's Investment Fund.

Through May 2005, statutes also authorized the Organization to invest funds acquired by gift, private grant, and the corpus of funds functioning as endowments according to the rules of the Money Management Council. Rule 2 allows the Organization to invest these funds in any of the above investments or any of the following, subject to satisfying certain criteria: professionally managed pooled or commingled investment funds, or mutual funds which satisfy certain criteria; common stock, convertible preferred stock, or convertible bonds; corporate bonds or debentures; and alternative investments as defined in the rule. As of May 2, 2005, state law allows endowment funds of higher education institutions to be invested in accordance with Board of Regents default investment guidelines or in accordance with policies adopted by the Institution's Board of Trustees and approved by the Board of Regents. Effective June 30, 2005 the Board of Regents has required all institutions to continue investing endowment funds in accordance with Rule 2 of the money management act.

Uintah Basin Assistance Council, Inc.
Notes to Financial Statements (Continued)
Year Ended March 31, 2009

2. Deposits and Investments (continued)

Investments (continued)

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Act. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the amortized cost of the pool shares. For the year ended March 31, 2009, the Organization had investments of \$6,666 with the Utah Public Treasurers Investment Fund. The entire balance had a maturity of less than three months, at substantially the same value as carrying value and, accordingly, is classified as cash equivalents.

3. Notes Payable

Notes payable consist of the following at March 31, 2009:

State of Utah – Dated May 19, 2008, payable in monthly installments of \$415 at an interest rate of 0%. The final payment is due November 2083. The note is collateralized with land and buildings with a total carrying value of \$419,372	\$ 373,414
State of Utah; pass through from Federal – Dated March 16, 2007, payable in monthly installments of \$1,198 at an interest rate of 1.50%. The final payment is due October 2038. The note is collateralized with land and buildings with a total carrying value of \$391,986.	344,956
State of Utah – Dated June 15, 1994, payable in monthly installments of \$194 at an interest rate of 0%. The final payment is due March 2024. The note is collateralized with land and a building with a total carrying value of \$28,822.	34,573
State of Utah – Dated July 11, 1994, payable in monthly installments of \$336 at an interest rate of 0%. The final payment is due July 2024. The note is collateralized with land and a building with a total carrying value of \$103,691.	103,495
State of Utah – Dated March 2, 1998, payable in monthly installments of \$319 at an interest rate of 4%. The final payment is due March 2028. The note is collateralized with land and a building with a total carrying value of \$49,905.	57,324

Uintah Basin Assistance Council, Inc.
Notes to Financial Statements (Continued)
Year Ended March 31, 2009

3. Notes Payable (continued)

State of Utah; pass through from Federal – Dated May 5, 1998, payable in monthly installments of \$240 at an interest rate of 3%. The final payment is due September 2028. The note is collateralized with land and a building with a total carrying value of \$45,905.

41,717

State of Utah; pass through from Federal – Dated February 9, 2000, payable in monthly installments of \$603 at an interest rate of 3%. Interest began accruing January 1, 2003. Payments began February 1, 2003. The final payment is due February 2032. The note is collateralized with land and a building with a total carrying value of \$118,973.

	119,187
	1,074,666
Less current portion	(27,549)
	<u>\$1,047,117</u>

The fair value of notes payable is, in management's estimation, substantially equivalent to the face value of the notes due to the nature and terms of the notes (see also explanation of interest rates below).

Future maturities of long-term debt are as follows:

Year ending March 31:

2010	\$ 27,549
2011	27,914
2012	28,291
2013	28,678
2014	29,075
Thereafter	<u>933,159</u>
	<u>\$ 1,074,666</u>

As is customary in the low-income housing industry, interest rates on loans used to finance the purchase of low-income housing are, in some cases, substantially below usual prevailing market rates in other industries and many loans bear interest rate subsidies and longer terms than what is customary. As a result, debt discounts based on the future value of the cumulative differences between actual interest rates and prevailing market rates have not been recorded on the Organization's financial statements as the difference between actual interest rates and interest rates that are customary in the industry are not considered material. Management is of the opinion that recording substantial debt discounts based on differences from prevailing rates in other industries would make the financial statements misleading.

Uintah Basin Assistance Council, Inc.
Notes to Financial Statements (Continued)
Year Ended March 31, 2009

4. Functional Allocations of Expenses

Expenditures incurred in connection with the operations and expenditures made for the purpose of the Organization have been summarized on a functional basis in the Statement of Activities.

5. Risk Management

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Various insurance policies have been purchased to cover the risks described above. The insurance policies require minimal deductible amounts which the Organization pays in the event of any loss. The Organization also has purchased a workers' compensation policy. Settled claims resulting from losses have not exceeded commercial insurance coverage in any of the past three fiscal years.

6. Change in Method of Accounting for Cash & Cash Equivalents

On April 1, 2008 the Organization elected to change its method of accounting for cash and cash equivalents to exclude the reserve account, from the definition of cash equivalents. In all prior years the reserve account was included in cash and cash equivalents. The change has been applied retroactively to the beginning of the earliest year presented (April 1, 2008), and resulted in no cumulative effect to the Statement of Financial Position or Statement of Activities. However the following categories were affected on the Statement of Cash Flows:

Cash flows from investing activities: \$22,444

Cash and cash equivalents at the beginning of the year: \$22,444

7. Retirement plans

The Organization contributes to the Local Government Contributory Retirement System (Contributory System), a cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems (Systems). The Systems provide retirement and survivor benefits to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended, which also establishes the Utah State Retirement Office (Office) for the administration of the Utah Retirement Systems and plans. Chapter 49 places the Systems, the Office and related plans and programs under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

Uintah Basin Assistance Council, Inc.
Notes to Financial Statements (Continued)
Year Ended March 31, 2009

7. Retirement plans (continued)

The contribution rates in effect for the year ending March 31, 2009, calculated on the applicable salary for the eligible employees, are as follows:

<u>Year Ended March 31,</u>	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rates</u>
2009	N/A	N/A	11.62%

The contributions made by the Organization for the year ended March 31, 2009 were paid by the due dates or within 30 days thereafter and were equal to the required contributions.

The required contributions and amounts received for the year ended March 31, 2009 and the two previous fiscal years are as follows:

	<u>Year Ended March 31,</u>	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contributions</u>	<u>Salary Subject to Retirement Contributions</u>
Noncontributory System:					
Local Governmental Division					
2009	\$	-	\$	-	\$ 10,283
2008	\$	-	\$	-	\$ 6,013
2007	\$	-	\$	-	\$ 6,198
					\$ 88,494
					\$ 51,786
					\$ 54,060

8. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 16, 2009, which is the date the financial statements were available to be issued.

**Uintah Basin Assistance Council
Schedule of Expenditures of Federal Awards
Year Ended March 31, 2009**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development (HUD):		
HOME Investments Partnership Program	14.239	\$ <u>505,860</u>
Total expenditures of federal awards		\$ <u>505,860</u>

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Uintah Basin Assistance Council, and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



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**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters based on
an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Board of Directors
Uintah Basin Assistance Council, Inc.
Roosevelt, Utah

We have audited the financial statements of Uintah Basin Assistance Council, Inc. (the Organization) as of and for the year ended March 31, 2009, and have issued our report thereon dated March 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

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Board of Directors
Uintah Basin Assistance Council, Inc.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

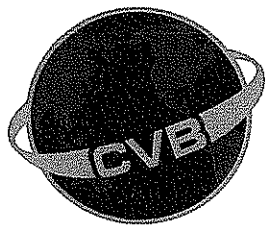
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of non compliance with those requirements, which is described in the accompanying schedule of findings and questioned costs as item 09-01.

This report is intended solely for the information of the audit committee, board of directors, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Child, Van Wagoner & Bradshaw

Child, Van Wagoner & Bradshaw, PLLC
Kaysville, Utah
March 16, 2009



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**Report on Compliance with Requirements Applicable to
Each Major Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133**

Board of Directors
Uintah Basin Assistance Council, Inc.
Roosevelt, Utah

Compliance

We have audited the compliance of Uintah Basin Assistance Council, Inc. (the Organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended March 31, 2009. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended March 31, 2009. However, the results of our auditing procedures disclosed an instance of non compliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 09-01.

Internal Control over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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North Point, Hong Kong

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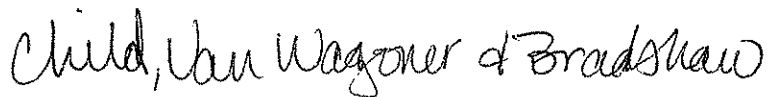
Board of Directors
Uintah Basin Assistance Council, Inc.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the audit committee, board of directors, management, others within the Organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Child, Van Wagoner & Bradshaw, PLLC
Kaysville, Utah
March 16, 2009

**Uintah Basin Assistance Council
Schedule of Findings and Questioned Costs
Year Ended March 31, 2009**

Section I-Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No

- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

- Non compliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No

- Significant deficiency(ies) identified that are not considered to be material weaknesses? X Yes _____ None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

 X Yes _____ No

Identification of major programs?

CFDA Number(s)

14.239

Name of Federal Program or Cluster

HOME Investments Partnership Program

Dollar threshold used to distinguish between type A and type B programs:

 \$ 300,000

Auditee qualified as low-risk auditee?

_____ Yes X No

Uintah Basin Assistance Council, Inc.
Schedule of Findings and Questioned Costs
Year Ended March 31, 2009

Section II-Financial Statement Findings

09-1 Audit Reporting Package Submission

Condition: The Organization's audit reporting package, which includes the audit and the data collection form, was not submitted to the Federal Audit Clearinghouse within nine months after the end of the audit period.

Criteria: OMB circular A-133 §.320(a) requires the audit reporting package to be submitted within nine months after the Organization's fiscal year end.

Effect: The Organization is not in compliance with OMB circular A-133 §.320(a).

Cause: Management was unable to provide financial information necessary to complete the audit in a timely manner.

Recommendation: We recommend management maintain supporting documentation for financial information so that it can be reported in a timely manner.

Auditee Response: See Pg 20

Section III-Federal Award Findings and Questioned Costs

No matters are reported for the year ended March 31, 2009

Uintah Basin Assistance Council, Inc.
Schedule of Findings and Questioned Costs-Prior Year
Year Ended March 31, 2009

Section II-Financial Statement Findings

08-1 Failure to follow generally accepted accounting principles throughout the year

Condition: The Organization made several journal entries at year end to comply with generally accepted accounting principles regarding the proper accrual based recording of revenues, assets and liabilities. Also, the Authority's policies and procedures do not provide for internal controls sufficient to detect errors in a timely manner.

Criteria: Entities receiving government funding should follow generally accepted accounting principles throughout the year.

Effect: The Organization made adjustments at year end that were needed to accurately report revenues, notes payable and fixed assets.

Cause: The Organization did not record revenues, notes payable and fixed assets in a timely manner.

Recommendation: The Organization's personnel must adhere to the basic concepts of generally accepted accounting principles and apply those principles to their financial record keeping. In addition, the Organization's internal controls should include a provision for the timely review, inspection, and monitoring of accounting policies and procedures by persons independent of those who record transactions.

Status: Item is considered closed.

Section III-Federal Award Findings and Questioned Costs

No matters are reported for the year ended March 31, 2008.

Uintah Basin Assistance Council

Corrective Action Plan

In Response to a Finding Related to the Financial Statements

Year Ended March 31, 2009

Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

Finding 09-01:

The organization's audit reporting package, which includes the audit and the data collection form, was not submitted to the Federal Audit Clearinghouse within Nine Months after the end of the audit period.

Recommendation:

We recommend management maintain supporting documentation for financial information so that it can be reported in a timely manner.


Comments and Corrective Action Planned:

In response to the finding, Management was not informed of the time frame the financial audit needed to be completed by. As you are aware, the Uintah Basin Assistance Council brought the financial accounting in house. On several occasions our office requested financial information from the previous accountants so we could submit the information into the auditors, with no success.

In our opinion, a lack of communication by all parties is the cause of this finding. In the future, Management and the Auditors will communicate better on the when all of the information is due, in order to complete the audit, in a timely manner.

Contact Person:

Jolene Daniels, Executive Director


Signature of Management